

February 17, 1976

PRESIDENT: Is there any objection?

SENATOR DeCAMP: Senator Cope is sick, that's why.

PRESIDENT: Yes, alright. Seeing none, it's so ordered. We now go to number 8 on your agenda, pending motions. They will be taken up in reverse order as shown on your agenda. It will be Senator Swigart's motion first. Read the motion, Mr. Clerk.

CLERK: Mr. President, I move that LB 477 become law notwithstanding the objections of the Governor. Signed, Senator Swigart.

SENATOR SWIGART: Mr. Chairman, and good morning colleagues. I would be the last to not take seriously a veto. On this one I know that this is the first veto, incidentally, that I've come before you to ask to be overridden. Today, on this matter LB 477 that has to do with the small loan companies, I simply must ask you what you think we should do.

I think I should sort of review a few points about what it's all about. I simply must begin with a very weighty point and that is that 30 of these small loan companies have gone broke, a few more are considering it. There used to be 209 and now there are 179 left. So I must, I think honestly, come to you and say "What shall we do? Shall we let the rest of them go broke, or shall we take some steps to correct it?"

You know I think Senator Chambers will have his time to speak in a few moments. I certainly don't blame him for his viewpoint. I know that he's concerned about the fellow who borrows a few hundred dollars and others who have to sacrifice to get the loan at all. I've long been curious about small loan companies and why it was possible that they were taken clear out of the category of the usury rate and allowed to charge what seems to be quite severe rates. In inquiring and checking into it I find there are two reasons. One is that these are greater risks and secondly they're for shorter terms which, surely I suppose, gives some justification. At least I read one place where there are 90,000 such loans made. I wonder if you and I should shut the door on that and say we're going to determine whether people can borrow money or not and leave some people out in the cold without being able to borrow at all. There are some people that have great complexities in life that are not their fault. They too have to bridge across some very hazardous times, they have to borrow money even though it's at a higher rate.

I would tell my colleague, Senator Chambers, I know he was the strongest opponent last time. Most of the loans that he was talking about are not affected at all in today's bill. They are the smaller ones and we don't touch a thing till we get clear up to, I believe, it's \$1,000 and it takes it from there on.

So what will we do today? All the states around us are approximately twice as much limit on loans, a lot higher interest generally speaking. Let us begin and say this, at the present time the small loan companies in Nebraska